

PARKS AND RECREATION COMMITTEE

DATE: September 14, 2006

CALLED TO ORDER: 5:00 p.m.

ADJOURNED: 5:20 p.m.

ATTENDANCE

Attending Members

Vernon Brown, Chair
Bob Cockrum
Susie Day
Ron Gibson
Monroe Gray, Jr.
Dane Mahern
William Oliver
Earl Salisbury

Absent Members

BUDGET HEARING

Review and Analysis

PROPOSAL NO. 436, 2006 - adopts the annual budget for Indianapolis and Marion County for 2007 (Parks and Recreation portion only)

"Do Pass as Amended"

Vote: 8-0

PARKS AND RECREATION COMMITTEE

The Parks and Recreation Committee of the City-County Council met on Thursday, September 14, 2006. Chair Vernon Brown called the meeting to order at 5:00 p.m. with the following members present: Bob Cockrum, Susie Day, Ron Gibson, Monroe Gray, Jr., Dane Mahern, William "Duke" Oliver, and Earl Salisbury. Also in attendance was Bart Brown, Council Chief Financial Officer (CFO).

PROPOSAL NO. 436, 2006 - adopts the annual budget for Indianapolis and Marion County for 2007 (Parks and Recreation portion only)

Jeff Seidenstein, Budget Manager, Office of Finance and Management (OFM), explained the amendment to Proposal No. 436, 2006. He stated that the first change is a typographical error on the first line of the amendment. It states that it is Proposal No. 432, 2006 and it should read Proposal No. 436, 2006.

Mr. Seidenstein stated that the appropriations to the Parks and Recreation Department out of the Park General Fund are in section one. He said that the originally introduced amount in Character 01, personal services, has been stricken and it has been increased to \$16,269,968. He said that represents the approximate amount it will cost to give pay raises to the employees in that department who are not covered by collective bargaining contracts. Mr. Seidenstein stated that the increased total appropriation for Parks is \$26.67 million.

Mr. Seidenstein stated that in section two; page three, the change is a technical correction in the "Estimated amounts to be received" box. Instead of being transferred from Park Debt Service, it should read "Transfer from Revenue Bond Fund to Park General. He said that this money is in the golf revenue for the Coffin Golf Course. Joseph Wynns, Director, Department of Parks and Recreation (DPR), stated that the amount is to offset some of the construction for the addition to the clubhouse. Mr. Wynns stated that one of the commitments DPR has made is to try and get the Bob Thompson contract moving forward and that DPR would assist with \$60,000 towards that construction. Mr. Wynns stated that in order for that project to be completed, the funds have to be moved out of the bond fund and into the golf fund to make sure DPR is able to pay their portion. Councillor Gray asked if the \$60,000 is over five years or a whole total of \$60,000. Mr. Wynns stated that the \$60,000 is paid every year for five years. He said that is DPR's portion to match the Bob Thompson investment of the new addition to the clubhouse.

Mr. Seidenstein stated that also in section two, the changes are to strike through two of the lines of the revenue categories that no longer apply. He also explained section three, page four that is commonly known as the 16-line statement for the budget. OFM has added "2007 Net Assessed Valuation" that is being used for the purpose of the budget and below that, "2006 Billed Net Assessed Valuation" has been added. He said that the current billed assessed valuation is \$40 billion for the entire County. He stated that OFM wants to make sure that the County does not loose any tax revenue, due to the assessors not being finished with their trending analysis, inventory tax rolling off the books, and the changes in state law. He said that in order for OFM to make sure it has received the amount of levy to support this fund, OFM has chosen to assume a 15%

reduction in the assessed value. Councillor Salisbury stated that the implication that the assessors are not doing their job is objectionable. Mr. Seidenstein apologized to Councillor Salisbury saying that there was not an implication that the assessors were not doing their jobs. Councillor Gibson stated that the bottom line, in his opinion, is that the assessors need a more appropriate and efficient way of getting their reports done and submitted.

Mr. Seidenstein went on to explain line three of the Park General Fund, stating that there was a slight increase of \$500 for additional appropriations expected in the second half of this year. He stated that there will be an ordinance introduced at full council for DPR to appropriate \$73,000 for the purchase of a parcel of land at Krannert Park. He said that reflected an increase on line five and adjusted the fund balance on line nine. Mr. Seidenstein added that the adjustment on line ten is to increase the 3% salary increase and the estimated balance at the end of next year is roughly \$167,607.

Councillor Cockrum asked if the proposed tax rate of 0.0516 is a worst case scenario. Mr. Seidenstein stated that the Department of Local Government Finance (DLGF) cannot increase a tax rate above what the Council approves. Councillor Cockrum asked if the rate is 15% higher than what it is for this year. Mr. Seidenstein answered in the affirmative. Mr. Brown asked for an explanation for the tax increase for the \$17 million. Mr. Seidenstein stated that the increase was that when he calculated in the 3% pay raise, it increased their Character 01. He said that if the tax levy was not adjusted, it would have resulted in a negative fund balance. Mr. Brown stated that with any increased levy, it has to be under the consent of the Mayor. Robert Clifford, Director of OFM, stated that the change in the levy was to make sure the raises were covered and not reduce Consolidated County's levy. He said that it also goes toward debt service and the Mayor is okay with it.

Chair Brown stated that the Council supports that decision, because the raise is going to a group of people who have been working without a raise for the last three years and some of them have to have public assistance in order to take care of their families.

Mr. Seidenstein continued with section three, stating that the only change in the Metropolitan Park District Sinking Fund from what was originally introduced is the addition of the 2007 Net Assessed Valuation. He said that the proposed tax rate was adjusted to reflect the amount of revenue to the tax levy. He said that the property tax is a little less than \$3.4 million, and would require a tax rate of 0.0099. Councillor Cockrum stated that is a big percentage increase and if that number is not off a decimal point. Mr. Brown stated that he does not think the current tax rate is correct. Mr. Seidenstein stated that the budget for this year is significantly higher than last year for this debt service fund. He said that there is a debt service payment that is needed next year on a bond issue and may explain why the current tax rate is 0.0005.

Mr. Seidenstein stated that on page six of the amendment, there is a deletion of two memberships and the addition of two memberships that were omitted.

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Councillor Cockrum stated that at various committee meetings, it was asked that the budget sheets that were provided to the members be updated to reflect any changes. He said that what has actually been updated is the proposal itself. Mr. Cockrum asked if the members will be receiving updated budget sheets. Mr. Seidenstein answered in the affirmative stating that once the budget has passed, OFM is planning to update those reports and get them to the members.

Councillor Gray moved, seconded by Councillor Gibson, to "Amend" Proposal No. 436, 2006. This motion carried by a vote of 8-0.

Councillor Gray moved, seconded by Councillor Oliver, to send Proposal No. 436, 2006 to the full Council with a "Do Pass as Amended" recommendation. This motion carried by a vote of 8-0.

With no further business pending, and upon motion duly made, the Parks and Recreation Committee of the City-County Council was adjourned at 5:20 p.m.

Respectfully submitted,

Vernon Brown, Chair
Parks and Recreation Committee

VB/law